

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:

CAH ACQUISITION COMPANY #1, LLC,
d/b/a WASHINGTON COUNTY HOSPITAL,

CASE NO. 19-00730-5-JNC

Debtor,

CHAPTER 11

THOMAS W. WALDREP, JR., as
LITIGATION TRUSTEE

Plaintiff,

v.

REBOOT, INC., d/b/a HIPAA GUARD,
RURAL LAB OUTREACH, LLC, and
MICHAEL REECE,

Defendants.

ADVERSARY PROCEEDING
NO. 22-00101-5-JNC

IN RE:

CAH ACQUISITION COMPANY #2, LLC,
d/b/a OSWEGO COMMUNITY HOSPITAL,

CASE NO. 19-01230-5-JNC

Debtor,

CHAPTER 11

THOMAS W. WALDREP, JR., as
LITIGATION TRUSTEE

Plaintiff,

v.

REBOOT, INC., d/b/a HIPAA GUARD,
RURAL LAB OUTREACH, LLC, and
MICHAEL REECE,

Defendants.

ADVERSARY PROCEEDING
NO. 22-00102-5-JNC

IN RE:

**CAH ACQUISITION COMPANY #3, LLC,
d/b/a HORTON COMMUNITY HOSPITAL,**

Debtor,

CASE NO. 19-01180-5-JNC

CHAPTER 11

**THOMAS W. WALDREP, JR., as
LITIGATION TRUSTEE**

Plaintiff,

v.

**REBOOT, INC., d/b/a HIPAA GUARD,
RURAL LAB OUTREACH, LLC, and
MICHAEL REECE,**

Defendants.

**ADVERSARY PROCEEDING
NO. 22-00103-5-JNC**

IN RE:

**CAH ACQUISITION COMPANY 6, LLC,
d/b/a I-70 COMMUNITY HOSPITAL,**

Debtor,

CASE NO. 19-01300-5-JNC

CHAPTER 7

**THOMAS W. WALDREP, JR., as
CHAPTER 7 TRUSTEE**

Plaintiff,

v.

**REBOOT, INC., d/b/a HIPAA GUARD,
RURAL LAB OUTREACH, LLC, and
MICHAEL REECE,**

Defendants.

**ADVERSARY PROCEEDING
NO. 22-00104-5-JNC**

IN RE:

**CAH ACQUISITION COMPANY 7, LLC,
d/b/a PRAGUE COMMUNITY HOSPITAL,**

Debtor,

**THOMAS W. WALDREP, JR., as
LITIGATION TRUSTEE**

Plaintiff,

v.

**REBOOT, INC., d/b/a HIPAA GUARD,
RURAL LAB OUTREACH, LLC, and
MICHAEL REECE,**

Defendants.

CASE NO. 19-01298-5-JNC

CHAPTER 11

**ADVERSARY PROCEEDING
NO. 22-00105-5-JNC**

IN RE:

**CAH ACQUISITION COMPANY 12, LLC,
d/b/a FAIRFAX COMMUNITY HOSPITAL,**

Debtor,

**THOMAS W. WALDREP, JR., as
LITIGATION TRUSTEE**

Plaintiff,

v.

**REBOOT, INC., d/b/a HIPAA GUARD,
RURAL LAB OUTREACH, LLC, and
MICHAEL REECE,**

Defendants.

CASE NO. 19-01697-5-JNC

CHAPTER 11

**ADVERSARY PROCEEDING
NO. 22-00106-5-JNC**

IN RE:

**CAH ACQUISITION COMPANY 16, LLC,
d/b/a HASKELL COUNTY COMMUNITY
HOSPITAL,**

CASE NO. 19-01227-5-JNC

Debtor,

CHAPTER 11

**THOMAS W. WALDREP, JR., as
LIQUIDATING TRUSTEE**

Plaintiff,

**ADVERSARY PROCEEDING
NO. 22-00107-5-JNC**

v.

**REBOOT, INC., d/b/a HIPAA GUARD,
RURAL LAB OUTREACH, LLC, and
MICHAEL REECE,**

Defendants.

THIRD MOTION TO AMEND PRETRIAL SCHEDULING ORDER

Thomas W. Waldrep, Jr., (“Plaintiff”) as Litigation Trustee for the above-captioned debtors (the “Debtors”),¹ by and through counsel, hereby moves to amend the Scheduling Orders in the above-captioned adversary proceedings (the “APs”). In support of this Motion, the Plaintiff respectfully represents as follows:

1. On April 21, 2023, the Court entered the most recent Scheduling Orders for these APs (the “AP Scheduling Orders”), establishing the following deadlines:

- a. Expert witness disclosures and reports due **June 2, 2023**.
- b. Rebuttal expert witness disclosures and reports due **June 30, 2023**.
- c. Initial mediation report and identification of an agreed mediator due by **September 1, 2023**.
- d. All discovery complete by **September 22, 2023**.

¹ Plaintiff serves as Chapter 7 Trustee for CAH Acquisition Company 6, LLC d/b/a I-70 Community Hospital, Case No. 19-01300-5-JNC.

- e. Dispositive motions due by **October 31, 2023**, with responses due twenty-one (21) days from the date of filing of the motions.
- f. Joint final pretrial order, any motions in limine, documentary evidentiary objections, and all other known for trial motions due by **January 16, 2024**.
- g. Final pretrial conference on **January 18, 2024** at 1:00 P.M. Eastern at the United States Bankruptcy Court in Greenville, North Carolina.
- h. Trial to begin on **January 23, 2024** at 10:00 A.M. Eastern at the United States Bankruptcy Court in Greenville, North Carolina.

2. The parties to these APs have begun discovery and have satisfied their obligation to disclose their reliance on expert witnesses. The parties have also begun discussions on the selection of a mediator.

3. The subject matter of these APs concern transactions alleged to arise as part of laboratory billing schemes, as more specifically alleged in the Complaints in these APs. Plaintiff is prosecuting related adversary proceedings against certain persons and entities that owned and/or operated the Debtors in furtherance of the alleged acts (Waldrep v. White et al., Adv. Proc. Nos. 21-00078-5-JNC, et al., the “Management APs”).

4. To facilitate documentary and deposition discovery of non-party witnesses—over a dozen of whom have been identified—the parties to the Management APs obtained from the Court on August 25, 2023, an amended Scheduling Order (the “Amended Management AP Scheduling Order”) [Adv. Proc. No. 21-0078-5-JNC, Dkt. No. 97] after filing a joint request for such relief [Adv. Proc. No. 21-0078-5-JNC, Dkt. No. 96].

5. This Motion seeks to amend the deadlines in the AP Scheduling Orders by approximately three months in order to match the deadlines in the Amended Management AP Scheduling Order, save for the deadline to file the initial mediation report and identify an agreed mediator, which Plaintiff seeks to extend by one month. This Motion seeks such relief for two reasons.

6. First, the parties to these APs may seek to participate in some or all of the discovery facilitated by the Amended Management AP Scheduling Order, as such discovery may produce evidence that concerns the interests, claims, and defenses of these parties.

7. Second, by keeping all related adversary proceedings—all proceedings concerning claims arising under the alleged laboratory billing schemes—on the same schedule, Plaintiff can more efficiently manage litigation resources to the benefit of the Debtors' estates.

8. Plaintiff has conferred with counsel for the defendants in these APs, and counsel consents to the amendments of the AP Scheduling Orders requested herein.

WHEREFORE, Plaintiff respectfully submits that good cause exists to amend the AP Scheduling Orders as set forth below and hereby requests that the Court make the following amendments thereto:

1. Initial mediation report and identification of an agreed mediator due by **October 2, 2023**.
2. All discovery should be completed by **December 21, 2023**.
3. The deadline for filing dispositive motions should be set for **January 31, 2024**, and responses are due twenty-one (21) days from the date of filing of such motions.
4. The joint final pretrial order, any motions in limine, and all other document evidentiary objections and motions should be due and must be filed by **April 16, 2024**.
5. The final pretrial conference should be scheduled for a date acceptable to the Court after **April 19, 2024**.
6. The trial should be scheduled to commence on a date acceptable to the Court after **April 26, 2024**.

Respectfully submitted this, the 29th day of August, 2023.

/s/ Thomas W. Waldrep

Thomas W. Waldrep, Jr. (NC State Bar 11135)

Kelly A. Cameron (NC State Bar 55664)

John R. Van Swearingen (NC State Bar 53646)

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Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **THIRD MOTION TO AMEND PRETRIAL SCHEDULING ORDER** was filed electronically in accordance with Local Rules and served upon counsel of record listed below through the CM/ECF system.

This, the 29th day of August, 2023.

**WALDREP WALL BABCOCK
& BAILEY PLLC**

/s/ Thomas W. Waldrep

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Via CM/ECF

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